



# COMMUNITY DEVELOPMENT BLOCK GRANT (CDBG) HOME PROGRAM APPLICATION



Program Year 2022 • Fiscal Year 2023  
Annual Action Plan • July 1, 2022 - June 30, 2023

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<b>XIII. APPLICATION CHECKLIST</b>
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**The following should be submitted to the Grants Administration Office in the following order, 3-hole punched and bound with a binder clip.**

- ☐ 1. Project/Program Summary
- ☐ 2. Completed Part A of Application
- ☐ 3. Completed Part B of Application
- ☐ 4. A signed statement that the agency agrees to abide by all policies, regulations, ordinances, or statutes as required by HUD and/or the City of Lynchburg
- ☐ 5. Copy of 501(c)(3) designations letter from the Internal Revenue Service
- ☐ 6. Certification of registration from the VA Secretary of State verifying agency is registered to conduct business in the State of Virginia
- ☐ 7. Board Membership List and attendance record for previous 12 months of each Board member
- ☐ 8. Minutes of the Board meeting authorizing the submittal of the application for funding
- ☐ 9. One (1) copy of the audited financial statement for the past two years including management letters

**NOTE: ITEMS 5 - 9 DO NOT APPLY TO CITY DEPARTMENT APPLICATIONS**

EXAMPLE OF PROJECT/PROGRAM SUMMARY – PLEASE COMPLETE THIS FORM ON THE FOLLOWING PAGE AND PLACE AS FRONT PAGE OF THE CITY DEPARTMENT/AGENCY’S APPLICATION SUBMITTAL

NOTE: THIS PROJECT/PROGRAM SUMMARY SHEET WILL PROVIDE CITY STAFF WITH A CHECKLIST TO ENSURE THAT ALL DOCUMENTS HAVE BEEN SUBMITTED, AS REQUESTED.

**Project/Program Summary**

**City Department/Agency:** **City of Lynchburg, Office of Grants Administration**

**Project/Program Title:** **Lynchburg Project**

<b>EXAMPLE</b>	
Funding Request (Amount of Requested Funds)	<b>\$50,000</b>
CDBG or HOME	<b>CDBG</b>
Electronic Copy (Flash Drive)	Flash Drive
501© (3) Documentation (Nonprofits Only)	Attachment 1
Documentation of State Registration to Conduct Business (Nonprofits Only)	Attachment 2
Support Letters/Number	2 – Attachment 3
Audit (Nonprofits and Housing Authority)	Attachment 4
Audit and Management Letter	N/A or Attachment 5
Signed Statement Agreeing to Policies	Attachment 6
Board Membership List and Attendance record of each Board member for the previous 12 months (Nonprofits and Housing Authority)	Attachment 7
Minutes of the board meeting authorizing the submittal of the application for funding (Nonprofits and Housing Authority)	Attachment 8
Completed Part A and Part B Application	Part A and Part B Completed

**Brief Summary Description of Project:**

(Summary of project description that your City Department/Agency has stated in Part B, Section I)

**EXAMPLE**

## PROJECT/PROGRAM SUMMARY

City Department/Agency: \_\_\_\_\_

Project/Program Title: \_\_\_\_\_

<b>Funding Request</b>	
<b>Funding Request for CDBG or HOME Program funds</b>	
<b>Electronic Copy</b>	
<b>501© (3) Documentation (Copy of Internal Revenue Service (IRS Certification)</b>	
<b>Documentation of State Registration to Conduct Business (SCC Certification) - (Nonprofits Only)</b>	
<b>Support Letters/ Total # (Are there support letters included, if so, how many?)</b>	
<b>Audit and Management Letter (Include for last two fiscal years) (Nonprofits and Housing Authority)</b>	
<b>Signed Statement Agreeing to Policies</b>	
<b>Board Membership List and Attendance record of each Board member for the previous 12 months (Nonprofits and Housing Authority)</b>	
<b>Minutes of the board meeting authorizing the submittal of the application for funding (Nonprofits and Housing Authority)</b>	
<b>Completed Part A and Part B Application</b>	

**Brief Summary Description of Project:**

## INTRODUCTION

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Welcome to the City of Lynchburg's Grants Administration Office annual application for Community Development Block Grant (CDBG) and HOME Program federal funds. All CDBG and HOME funds are provided to the City through an annual entitlement grant administered by the U.S. Department of Housing and Urban Development (HUD). This award is based on the City's prior performance and needs detailed in the City of Lynchburg's Five-Year Consolidated Plan. All entities or organizations requesting CDBG or HOME funds must complete and submit this application prior to the deadline **(Thursday, February 3, 2022 at 4:00 p.m.)** to be considered for Fiscal Year (FY) 2023.

(July 1, 2022 - June 30, 2023) funding. The application process is competitive and not all applicants will be awarded funding. Similarly, recommendations for funding may be for an award amount less than that requested by the applicant.

The release of this application by the Grants Administration Office each year provides new opportunities for the City to create partnerships with neighborhood organizations, nonprofit and for-profit entities to address community development needs. To effectively address these issues, the City encourages its prospective partners to develop innovative programs that truly reflect the desires and needs of the community. As your entity prepares its application, you are strongly encouraged to engage the community. While Grants Administration staff is unable to complete this application for you, staff is available for general technical assistance.

**Note:** Individual persons cannot apply. Funds are provided to City departments, public housing authority and non-profit/for-profit agencies.

### **Five-Year Consolidated Plan Priorities**

The City's 2020-2024 Five-Year Consolidated Plan is for the period of July 1, 2020 through June 30, 2025. City Council approved the Consolidated Plan goals on February 11, 2020 for the Five-year Plan. These goals were developed to provide direction for the City in its use of CDBG and HOME funds throughout the five-year period. Following are the goals that will guide the City's priorities and allocation of funds for the FY 2023 Annual Action Plan CDBG/HOME Program period:

#### **Adopted 2020-2024 CONSOLIDATED PLAN/ FY 2023 ANNUAL ACTION PLAN GOALS**

*The goals listed below are intended to provide broad guidance in the allocation of Community Development Block Grant (CDBG) and HOME Program funds granted to the City by the United States Department of Housing and Urban Development for the five years beginning July 1, 2020 and ending June 30, 2025.*

*NOTE: At the January 11, 2022 City Council meeting, City Council reviewed and re-approved the Consolidated Plan goals for the FY 2023 (PY 2022) Annual Action Plan process. The goals are listed below.*

#### **Housing Goals**

- Support initiatives to increase permanent affordable housing in the rental markets. Increase the number of owner-occupied units. Emphasis to be placed on mixed income and inclusive communities.
- Support the preservation of affordable housing in both the rental and sales markets, including the rehabilitation of substandard housing.
- Support efforts for the identification and remediation of rental housing in substandard conditions.

## NON-HOUSING GOALS

- Support the improvements to public facilities and infrastructure.
- Support efforts for the removal and redevelopment of dilapidated and condemned structures to eliminate neighborhood deterioration, blight and blighting influences.
- Support neighborhood partnerships that facilitate self-sufficiency and enable families and individuals to maintain their housing, remain in their neighborhoods, and age in place.
- Support efforts that align with the goals of the *City's Blueprint for Opportunity: Building Tomorrow's City of Lynchburg 2019-2023* to improve the economic base, job skills, and health of the community.
- Promote public service activities which support the healthy development of the City's at-risk youth, adults, and families.
- Support efforts to develop, sustain, and coordinate a comprehensive, seamless system of services for homeless citizens in order to move the homeless population toward obtaining permanent housing.
- Support efforts to remove barriers to escape poverty and strengthen low-income households and families.

The application process for CDBG and HOME funds seeks to ensure that the City's investment of scarce resources has the greatest impact on achieving outcomes related to the above-listed goals. While the goals established for the Five-Year Plan generally determine those funding proposals recommended for approval, the priorities should not be viewed as an obstacle to responding to unique opportunities or providing creative solutions.

## Community Development Block Grant (CDBG)

CDBG funds, as adopted by the U.S. Congress in 1974, must be used to address one of three National Objectives:

1. Benefit low-and moderate-income (LMI) persons. Low- and moderate-income persons are those whose household incomes are at or below 80% of the area median income, as adjusted for family size, and as determined by HUD for Lynchburg (See Attachment 1);
2. Prevent or eliminate slums or blight. To qualify under the National Objective of addressing slums or blight, the proposed activity must address these conditions on a "spot" or "area" basis or be a designated urban renewal activity that is part of an Urban Renewal project area or Neighborhood Development Plan (NDP);
3. Meet a need having a particular urgency because existing conditions pose a serious and immediate threat to the health or welfare of the community and other financial resources are not available to meet such needs.

**All applications for CDBG funds must meet one of the three above-listed National Objectives.**

## HOME

The HOME Investment Partnerships Act encourages the development of affordable housing, private sector participation and expanding the capacity of nonprofit and public housing providers. HOME program beneficiaries must have a household income that does not exceed 80% of the area median income, adjusted for family size (See Attachment 1).

The City of Lynchburg will consider projects that consist of one or more of the following eligible activities:

- Acquisition of property for the purpose of constructing or rehabilitating affordable housing;
- New construction of rental or homebuyer property;

- Rehabilitation of existing housing to comply with the local Rehabilitation Building Code;
- Site improvements to assist in the development of new affordable housing;
- Demolition;
- Relocation costs; or
- Project related soft costs.

### **Current Funding Levels**

The City of Lynchburg received \$729,183 in CDBG entitlement funds and \$413,856 in HOME funds from HUD for Fiscal Year (FY) 2022. While the City has not yet been notified of its FY 2023 funding allocation, the City anticipates receiving the same funding amounts for each program in FY 2023. Both the CDBG and HOME funds are used to support homeownership, housing rehabilitation and repair programs, neighborhood projects, infrastructure, spot blight acquisitions and dispositions, and other initiatives administered directly by the Grants Administration Office. Additionally, a maximum of 20% of CDBG funds and a maximum of 10% of HOME funds may be used for program administration.

The balance of the funding is allocated through this competitive application process. CDBG funds will be considered for City capital projects, Lynchburg Redevelopment and Housing Authority (LRHA) programs, and **targeted neighborhood or public service (housing service) programs that have a City department/public housing authority sponsor.**<sup>1</sup>

Of the HOME entitlement amount, a minimum of 15% must be used to support projects developed, sponsored, or owned by Community Housing Development Organizations (CHDO).

**Note: Individual persons cannot apply. Funds are provided to City departments, public housing authority and non-profit/for-profit agencies.**

### **Leverage**

CDBG and HOME funds may not be used to displace other available City, State or Federal funds. CDBG and HOME funds can be used as gap financing that is necessary to help make a project or program cost effective for the intended low-to-moderate income beneficiary. To encourage this requirement, the following leverage is recommended: \$1 of CDBG/HOME matched by a minimum of \$1 of non-CDBG/HOME funds.

Volunteer time may be counted as leverage at a maximum of \$10/hour.

### **FEDERAL FUNDING ACCOUNTABILITY AND TRANSPARENCY ACT OF 2006 (FFATA)**

FFATA REPORTING REQUIREMENTS (All CDBG or HOME funds awarded to agencies, the following information will need to be submitted to the City in conjunction with the execution of the Written Agreement.

The Federal Funding Accountability and Transparency Act of 2006 (FFATA) mandates specific reporting requirements that must be met by all Federal grant recipients, including CDBG participating jurisdictions such as the City. If the Subrecipient receives \$25,000 or more in Federal funds/awards the Subrecipient must provide the City with the following information in accordance with FFATA reporting requirements. This information includes, but is not limited to:

<sup>1</sup> It should be noted that on September 28, 2010, City Council decided to eliminate the use of CDBG funding for public service agencies. Council noted that such agencies could be considered for funding from the General Fund. Public service agencies can partner with a City department or the public housing authority, Lynchburg Redevelopment and Housing Authority (LRHA), for targeted neighborhood and housing service projects.

1. name of the Subrecipient receiving the award;
2. amount of the award;
3. information on the award including transaction type, funding agency (i.e. HUD), the North American Industry Classification System code or Catalog of Federal Domestic Assistance number, program source (Treasury Account Symbol (TAS) will continue to be used as the official Program Source), award title descriptive of the purpose of each funding action;
4. location of the Subrecipient receiving the award and primary location of performance under the award, including city, State, congressional district, and country;
5. unique identifier of the Subrecipient receiving the award and the parent entity of the Subrecipient, should the Subrecipient be owned by another entity (the unique identifier is the Subrecipient's Dun & Bradstreet (D&B) Data Universal Numbering System (DUNS) number);
6. names and total compensation of the five most highly compensated officers of the Subrecipient if the Subrecipient in the preceding fiscal year received 80 percent or more of its annual gross revenues in Federal awards; and \$25,000,000 or more in annual gross revenues from Federal awards; and the public does not have access to this information about the compensation of the senior executives of the entity through periodic reports filed under section 13(a) or 15(d) of the Securities Exchange Act of 1934 (15 U.S.C. §§ 78m(a), 78o(d)) or section 6104 of the Internal Revenue Code of 1986. (See FFATA § 2(b)(1));
7. and any other data deemed necessary to comply with FFATA.

## Application Submittal Overview

**NOTE: There is one application for both CDBG and HOME funds. Eligible Applicants for CDBG Funds – Fiscal Year 2023**

1. Nonprofit/Neighborhood Associations: Partnership applications between nonprofits/neighborhood associations/public housing authority, and City departments for targeted neighborhood projects/public (housing) service activities. Note: Lynchburg Redevelopment and Housing Authority (LRHA) is not a City department.
2. LRHA programs such as housing redevelopment/development, rental rehabilitation, and administrative/direct costs associated with the Housing Authority's CDBG and/or HOME projects.
3. City Departments: (infrastructure; construction or rehabilitation of neighborhood centers; park improvements, aesthetic amenities on public property)

**Note: Individual persons cannot apply. Funds are provided to City departments, public housing authority and non-profit/for-profit agencies.**

**Eligible Applicants for HOME Funds (Non-profit Agencies or Lynchburg Redevelopment and Housing Authority (LRHA)) – Fiscal Year 2023**

1. Nonprofit agencies or the public housing authority that propose projects that consist of one or more of the following eligible activities:
  - Acquisition of property for the purpose of constructing or rehabilitating affordable housing;
  - New construction of rental or homebuyer property;
  - Rehabilitation of existing housing to comply with the local Minimum Housing Code;
  - Site improvements to assist in the development of new affordable housing;
  - Demolition;
  - Relocation costs;
  - Project-related soft costs; or
  - Down payment assistance.
2. Nonprofit agencies that are approved Community Housing Development Organizations (CHDO) that will develop affordable housing within the CDBG-targeted areas.
3. The 2013 HOME Final Rule (24 CFR Part 92) contained many new provisions and changes that have substantive and broad-based impact on how the City administers HOME activities. The key substantive changes in the regulations were as follows:

**Note: Individual persons cannot apply. Funds are provided to City departments, public housing authority and non-profit/for-profit agencies.**

### **Timely Production and Occupancy of Assisted Housing**

1. **HOME projects must be completed within four years of commitment.** Any project that is not completed timely will be terminated and the Participating Jurisdiction (City of Lynchburg (PJ/CITY)) will be required to repay HOME funds drawn. [§92.205(e)(2)]<sup>1</sup>
2. **HOME-assisted rental units must be occupied by income-eligible households**

<sup>1</sup> Nonprofit, CHDO, or public housing authority will be required to repay PJ/CITY

**within 18 months of project completion;** if not, PJ/CITY must repay HOME funds for the vacant units. Note, for units that remain vacant six months following completion, the Subrecipient/CHDO must identify and develop an enhanced marketing plan and report this information to the CITY who will in turn provide report to HUD. [§92.252]

3. **A homebuyer unit must have a ratified sales contract within nine months of construction completion,** or the PJ/CITY must either convert it to a HOME rental unit or repay the full HOME investment. [§92.254(a)(3)]<sup>2</sup>

4. **CHDO set-aside funds should be committed to specific projects within 24 months of the PJ/CITY receiving its HOME allocation.** The PJ/CITY can no longer “reserve” CHDO funds for projects that will be identified at a later date. [§92.2 Commitment, §92.300(a)(1)]

5. **CHDO set-aside funds must be expended within 5 years** of when the PJ/CITY receives its formula allocation. [§92.500(d)(1)(A) and (C), and §92.500(d)(2)]

### **Strengthen Performance in Producing and Preserving Affordable Housing**

The 2013 Rule provided regulatory guidance to strengthen Participating Jurisdiction (PJ)/CITY's performance in the production and preservation of HOME- assisted projects. These changes related to underwriting, property standards and construction oversight, CHDO qualifications and capacity, and long-term viability of projects.

### **Underwriting and Program Design**

1. **PJ/CITY must underwrite all HOME projects** to ensure that each project is financially sustainable over its affordability period. The underwriting review evaluates cost reasonableness, market demand, developer capacity, and the commitment of other funding sources. [§92.250(b)].
2. **PJ/CITY must adopt program policies for homebuyer programs** that include underwriting guidelines to determine the appropriate amount of assistance necessary to assist the low-income buyer; assessment of a buyer's ability to purchase and remain in the home (e.g., housing and consumer debt ratios, anticipated income, and available assets); and anti-predatory lending and subordination policies. [§92.254(f)].
3. **Homebuyers must receive housing counseling by a HUD-certified housing counselor** before receiving HOME assistance (downpayment assistance) or purchasing a HOME-assisted unit. [§92.254(a)(3)].

### **Property Standards and Construction Oversight**

1. **Property standards are updated** to reference current national codes and to require that PJ/CITY establish standards that will sustain quality assisted housing for at least the affordability period. Within the 2013 Rule, property standards requirements are reorganized by project type – new construction, rehabilitation, acquisition without rehabilitation, and manufactured housing. [§92.251]
2. **PJ/CITY must identify and plan for major systems repairs.** For rental rehabilitation projects with 26+ units, this must be done via a capital needs assessment. The PJ/CITY must require that the scope of rehabilitation work and

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<sup>2</sup> Nonprofit, CHDO, or public housing authority will be required to repay PJ/CITY

replacement reserves deposits must be sufficient to ensure the useful life of essential building components throughout period of affordability. For homeownership housing, major systems must have a useful life of at least five years upon project completion. [§92.251(b)(ii) and (viii)]

3. **PJ/CITY must develop inspection policies and procedures**, including initial inspections of properties to be rehabilitated or acquired to determine the necessary scope of work to bring each property up to applicable standards; and progress and final inspections for all new construction and rehabilitation projects to ensure projects are constructed according to approved plans. HUD will issue guidance to identify for PJ/CITY the minimum required inspectable elements based on the Uniform Physical Conditions Standards. [§92.251(g)]

## **COST ALLOCATION REQUIREMENTS**

### **Allocating Eligible Costs and Identifying HOME-Assisted Units in Multi-Unit HOME Rental and Homeownership Development Projects**

Cost allocation is required in any HOME rental or homebuyer project where fewer than 100% of units are HOME-assisted (e.g., a mixed-income project); and/or in which less than 100% of the space is residential (e.g., a mixed-use project). In addition, cost allocation is required for a 2-4-unit property in which one of the units is occupied by the owner and fewer than 100% of the units will be HOME-assisted.

Cost allocation is not required for single unit properties, or in cases where a multi-unit project is exclusively residential and 100% of units will be HOME-assisted. However, in all HOME projects, a PJ/City must ensure that the amount of HOME funds invested does not exceed the lesser of the total HOME eligible costs per unit and the maximum per-unit HOME subsidy.

### **CHDO Qualification and Capacity Requirements**

**To qualify as a CHDO, a nonprofit must have paid staff whose experience qualifies them to undertake CHDO set-aside activities.** Capacity cannot be demonstrated by use of a consultant, except in the first year that a CHDO becomes certified. [§92.2 *Community housing development organization*]

1. **Each time the PJ/CITY commits HOME funds, it must re-certify a nonprofit's qualifications** to be a CHDO and its capacity to own, sponsor, or develop housing. [§92.300(a)]
2. **The roles of owner, developer, and sponsor for CHDOs using set-aside funds are more specifically defined.** Among other changes, the 2013 Rule permitted a PJ/CITY to provide CHDO set-aside funds for a CHDO that owns rental housing that it does not develop. [§92.300(a)(2) – (6)]
3. Applicants wishing to be considered for CHDO certification may request a CHDO application from the City.

### **Long-Term Viability of Rental Projects**

During the affordability period, PJ/CITY must examine the financial condition of projects with 10 or more HOME-assisted units at least annually, and must act where feasible to correct problems that threaten a project's financial viability. [§92.504(d)(2)]

### **Application Process:**

A separate application is required for each project or program seeking CDBG or HOME assistance.

Applications must be **typed and page numbered (example: Page 1 of 7)**. Applications must be **3-hole punched for inclusion in a standard three (3) ring binder**. Please simply bind the **application with a binder clip**. Staff will compile all applications into three-ring binders for review and evaluation by the Community Development Advisory Committee (CDAC).

Applicants must submit **one (1) original, nine (9) copies and one electronic copy (on a Flash Drive)**. The original copy must contain original signatures. Applications not meeting these requirements will not be considered complete and will not be accepted by the Grants Administration Office and will not be forwarded to CDAC or City Council for consideration.

**Note: Only one copy of the Audits is required.**

**All applications must be received** by the **Grants Administration Office** no later than **4:00 PM on Thursday, February 3, 2022**. Official postmarks are not acceptable. It is the responsibility of the applicant to meet the delivery date and delays by delivery services are not an acceptable justification for being late. Applications will not be accepted by the Grants Administration Office after the above date and time. **THERE WILL BE NO EXCEPTIONS.**

**IF AT ANYTIME DURING THE COMPILATION AND PREPARATION OF THE GRANT APPLICATION ANYONE HAS QUESTIONS REGARDING THE CONTENTS AND/OR REQUIREMENTS ON THIS APPLICATION, PLEASE CONTACT MELVA WALKER, GRANTS MANAGER, AT (434) 455-3916 OR EMAIL AT: [melva.walker@lynchburgva.gov](mailto:melva.walker@lynchburgva.gov)**

#### **Mailing Address**

City of Lynchburg  
Grants Administration Office  
ATTN: Grants Manager  
900 Church Street  
Lynchburg, VA 24504

#### **Office Location**

City Hall  
900 Church Street  
City Hall, Second Floor  
Lynchburg, VA 24504  
434-455-3913

#### **E-Mail**

**[melva.walker@lynchburgva.gov](mailto:melva.walker@lynchburgva.gov)**

## SUBMISSION REQUIREMENTS

**Application must be in WORD/PDF format.** Handwritten applications will not be considered for funding.

### **Requirements**

### **Documentation**

1. The applicant: a. City Department b. must be a public housing authority; c. nonprofit agency submitting a neighborhood project/public service activity must have a city department sponsor d. must have nonprofit status for at least one (1) full year, or e. must have two (2) full years of operating experience under another nonprofit entity, or f. is a for-profit entity proposing to use funds for an economic development activity that will provide for jobs creation and/or retention and be located in a CDBG-targeted area.	A copy of a 501© (3) designation letter from the Internal Revenue Service (Nonprofits Only)
2. The nonprofit must be registered to conduct business in the State of Virginia at the time of the application.	A current certification from the VA Secretary of State. For assistance, call 1-866-722-2551 or go to <a href="http://www.secretary.state.va.us/corporations">www.secretary.state.va.us/corporations</a> (Nonprofits Only)
3. The nonprofit must have at least twelve (12) months experience directly related to the proposed project or program, or be partnered with an entity that has such experience, or have principal staff with such experience.	Letters of support are recommended—maximum of three (3)
4. The nonprofit/public housing authority must have audited financial statements prepared by a qualified accountant or accounting service, covering the last twenty-four (24) months of operation. Copies of the audited financial statements must be submitted with the application and should not be older than twelve (12) months. Audit findings may make the applicant ineligible to receive funding consideration.	<b>One (1) copy of each audited financial statement that meets the criteria described.</b>  <b>Include management letter.</b>
5. Nonprofit agencies and the public housing authority must have an active Board of Directors documented by submitting an attendance list at board meetings for the previous 12 months and must submit a Board membership list and contact information for Board members with their application.	

6. All applicants must agree to abide by all policies, regulations, ordinances, or statutes as required by HUD and/or the City of Lynchburg.	A signed statement by the Board Chairman or Executive Director and/or City Department Director that the agency acknowledges its responsibilities.
7. All applicants must complete <b>ALL</b> elements of Part A and Part B of the application.	Completed Part A and Part B.
8. Applications must be signed by the Department Director, Chair or President of the Board of Directors or Executive Director.	

**Failure to provide a complete application will result in disqualification from consideration for funding.**

### **Important Information Relative to Application**

This is a competitive application process for limited funding. Applicants that meet the minimum criteria are not guaranteed an award.

**NOTE: FISCAL YEAR 2023 NEIGHBORHOOD ASSOCIATION/NONPROFIT APPLICANTS: NEIGHBORHOOD ASSOCIATION/NONPROFIT APPLICANTS MUST PARTNER WITH A CITY DEPARTMENT AND/OR THE PUBLIC HOUSING AUTHORITY THAT CAN SUPPORT THE PROPOSAL AND CAN ASSIST WITH THE OVERALL ADMINISTRATION AND MONITORING OF THE PROJECT IN ACCORDANCE WITH HUD REGULATIONS.**

**NOTE: INDIVIDUAL PERSONS CANNOT SUBMIT AN APPLICATION. FUNDS ARE PROVIDED TO CITY DEPARTMENTS, PUBLIC HOUSING AUTHORITY AND NON-PROFIT/FOR-PROFIT AGENCIES.**

1. Successful applications may be funded for less than the amount requested.
2. Funding provided by this process will be awarded for the FY 2023 which begins July 1, 2022 and ends June 30, 2023. However, no contracts can be executed until the City has completed the necessary environmental assessments, executed funding agreements with HUD, and approval has been received from City Council. The City generally receives its funding agreement from HUD in August or September.
3. Agencies that are currently receiving CDBG and/or HOME funds from the City, who are also applying for FY 2023 CDBG/HOME funds, must be following all terms of their current written agreement and must not have any outstanding audit findings, monitoring findings or concerns as determined by the City or HUD.
4. Nonprofit agencies and the public housing authority must have an active Board of Directors documented by submitting an attendance list at board meetings for the previous

12 months and must submit a Board membership list and contact information for Board members with their application.

5. Applications must be signed by the Department Director, Chair or President of the Board of Directors or Executive Director.

**Note: Nonprofit agency: Please submit the minutes of the meeting authorizing the submittal of this application.**

6. **Applications must be in WORD/PDF format.** Handwritten applications will not be considered for funding.
7. All applications must be bound with binder clips and 3-hole punched for easy insertion into a 3-ring binder by Grant staff.
8. Each applicant must submit **one original and nine (9) copies** of their application. Original copies must contain original signatures and not duplications. **Each application must be accompanied by an electronic copy on a Flash Drive. (Application forms must be a WORD/ PDF Document. Attachments may be in WORD/ PDF.)**
9. An electronic copy of the application (PDF Document) is posted on the Grants Administration website at: <http://www.lynchburgva.gov/grants-administration>.
10. For additional information on the Community Development Block Grant Program or HOME Investment Partnerships Program, visit the HUD Exchange website at: [www.hudexchange.info/](http://www.hudexchange.info/)
11. For additional information regarding this application, please contact Melva Walker, Grants Manager, at (434) 455-3916.

**PART A: APPLICANT AND AGENCY BACKGROUND**

**I. APPLICANT INFORMATION**

1. Funds Requested: ☐ CDBG ☐ HOME

2. Organization Information:

Organization Name: \_\_\_\_\_

DUNS Number: \_\_\_\_\_

(Dun & Bradstreet, Inc. provides this number at no charge and is required for federal funding recipients; DUNS number can be obtained at [www.dnb.com](http://www.dnb.com))

Federal Tax ID: \_\_\_\_\_

Project Name: \_\_\_\_\_

Project Contact Person: \_\_\_\_\_

Mailing Address: \_\_\_\_\_

Phone: \_\_\_\_\_ Fax: \_\_\_\_\_ Email: \_\_\_\_\_

Is your organization incorporated? (include applicable attachments) ☐ Yes ☐ No

Is your organization: (include applicable attachments)

A government entity

☐ Yes ☐ No

A non-profit with approved Federal tax-exempt certification?

☐ Yes ☐ No

A for-profit business

☐ Yes ☐ No

Name & Title of Application Preparer: \_\_\_\_\_

**II. TYPE OF PROJECT**

Check the type of activity that best describes your project:

☐ Housing Authority ☐ Neighborhood Association ☐ City Department ☐ Nonprofit Organization

**III. PROJECT, SERVICE, OR ACTIVITY INFORMATION**

Project/Program Name: \_\_\_\_\_

Total Project/Program Cost: \_\_\_\_\_

Please Specify the Type and Amount of Funding Requested:

CDBG: \_\_\_\_\_ OR HOME: \_\_\_\_\_

(Amount of funding requested)

(Amount of funding requested)

Percentage of CDBG or HOME investment (Total Project Cost/Amount Requested):

**The City reserves the right to fund projects out of either Program as projects are eligible.**

<b>IV. PAST CITY SUPPORT</b>
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Please list all CDBG or HOME funding awarded by the City of Lynchburg in the past five years.

**Complete for all awards that have been completed/closed out:**

Fiscal Year Awarded	Project/Program Name	Award Amount	Date Project/Program Completed	Remaining CDBG or HOME Funding as of December 31, 2021

**Complete only if Project/Program are In Progress or Not yet Started (not yet completed):**

Fiscal Year Awarded	Project/Program Name	Award Amount	Anticipated Completion Date	Remaining CDBG or HOME Funding as of December 31, 2021

Project/Program Name (from table above)	Explain why funds remain and what the timetable is for spending remaining funds

## V. AGENCY INFORMATION

### **Accomplishments in the Current Fiscal Year**

**Describe project progress in the current fiscal year (FY 2022) and for prior year's projects funded by CDBG or HOME. Emphasize measurable outcomes and project benefit to the community.**

<b>Fiscal Year 2022 Objectives</b>	<b>Fiscal Year 2022 Accomplishments to Date</b>	<b># of Units</b>	<b># of Clients</b>	<b># of Other</b>

1. What is your City Department/Agency's mission statement?
  
2. How long has the City Department/Agency existed in its current form?
  
3. How long has the Agency had its 501(c) (3) status?
  
4. How many years has the City Department/Agency conducted the project/program for which it is requesting funding?
  
5. List all other CDBG or housing related programs managed by the City Department/Agency.
  
6. Has your agency received an independent audit conducted by a Certified Public Accountant?  
☐ Yes ☐ No

If so, what is the name of your auditor?

What was the time period (fiscal year) being reviewed?

**NOTE:** A copy of audited financial statements that demonstrate the following must be attached to the application submission:

The applicant has audited financial statements prepared by a qualified accountant or accounting service, covering the last twenty-four (24) months of operation. Applicants receiving \$750,000 or more in Federal funds must provide an organization-wide audit; applicants receiving less than \$750,000 in Federal funds must provide a copy of a program-specific audit.

<b>VI. FY 2022 AGENCY OPERATING BUDGET</b>
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Please submit a copy of Agency's budget for the current fiscal year (July 1, 2021 – June 30, 2022) or current calendar year (January 1, 2022 - December 31, 2022).

## PART B: CDBG or HOME PROJECT DETAIL INFORMATION

### I. PROGRAM DESCRIPTION

1. Provide a concise description of proposed project or program for which you are requesting CDBG or HOME Program investment funds. Include the clients to be served, how additional services will be provided as a result of this funding, or if an existing service will be discontinued without funding.

2. Select the proposed Accomplishment Type from the list below and provide the number of people, housing units, public facilities, etc. the project will serve.

Accomplishment Type	<u>Projected number of Accomplishment Type to be served</u>
People	
Housing Units	
Organizations	
Public Facilities	
Jobs	

### II. ELIGIBILITY- CDBG

Before completing this section, please refer to the **Introduction Section on Pages 6-8**, for information regarding the Annual Action Plan goals and HUD National Objectives. All CDBG projects and programs must meet one of the stated HUD National Objectives.

**Please select the criteria your project/program will satisfy to meet this national objective.**

☐ **Area Benefit** - Activity provides benefit to an area where at least 51% of its residents are low-to-moderate-income (LMI). The service area is primarily residential, the project/program meets LMI needs, and income levels are documented by the U.S. Census or an approved substitute. If your project/program will only be available to residents and/or businesses in a defined area, please provide the following:

1. Census tract(s) and block groups in which the project/program will be provided
2. The most recent demographic data related to income and ethnic composition of the target area. Please indicate the proportion of the service area that is low- to-moderate income.
3. A map of your service area that clearly delineates the boundaries and includes street names.

**Note:** The entire City of Lynchburg cannot be deemed a service area for the purpose of meeting these criteria.

☐ **Limited Clientele** (activity benefits a limited number of persons whereby at least 51% are low-to-moderate-income (LMI)). Some persons are presumed to be LMI {i.e., abused children, elderly-

age 62, homeless}, or assistance may be provided to LMI persons owning or developing micro-enterprises; or the project/program is a job training or placement activity.

Please describe the steps your agency will take to document that 51% of the clients served are low- to moderate-income.

☐ **Housing** (activity provides or improves residential structures to be occupied by low-to-moderate income (LMI) persons). At least 51% of units must be occupied by LMI.

Please describe the following:

1. Steps your agency will take to document that 51% of the units are occupied by low- to moderate-income persons:
2. The tools used to market your housing units:
3. How affordability of the units is maintained.

☐ **Jobs** (activity creates or retains jobs). At least 51% of the jobs must be held by or available to low-to-moderate income (LMI) persons.

1. Please describe the steps your agency will take to ensure and document that at least 51% of the jobs will be held or retained by LMI persons.

☐ **Prevention/Elimination of Slums or Blight** To qualify under these objective activities are either clearly eliminating objectively determinable signs of slums or blight in a designated slum or blighted area or are limited to eliminating specific instances of blight outside such an area ("spot blight").

1. Provide documentation that activity is within a designated slum or blighted area or will meet the criteria for a "spot blight" activity.

**Level of Service (if applicable):** CDBG regulations require Public Service projects to either be a new service or a quantifiable expansion of service from the previous year.

1. Is your program a new service in the community? What other programs similar to yours currently exist in the community?
2. Describe how your program will provide a quantifiable increase in the level of service over what was provided in the last fiscal year?

### ELIGIBILITY- HOME

- ☐ **Homeowner Rehabilitation:** Assistance for existing owner occupants with the repair, rehabilitation or reconstruction of their homes.
- ☐ **Homebuyer Activities:** Acquisition and/or rehabilitation or new construction of homes for homebuyers.
- ☐ **Rental Housing:** Affordable rental housing may be acquired and/or rehabilitated, or constructed

### III. PROGRAM NEED

Explain the need your project/program will address and explain how your project/program will alleviate that need. Answer the following questions:

1. What specific goal identified in the FY 2023 Annual Action Plan Goals will your project/program address (See Pages 6 -7)?
2. Please quantify the nature and extent of the problem you propose to address. Please include supporting data.
3. List and describe any studies and/or Census data and/or market data used to determine that the problem requires action now.

#### IV. TARGET POPULATION

Complete the following tables to the best of your ability. Show numbers of clients, not percentages, in each category. Current income limits are on Page 30 (Attachment 1).

1. Please indicate whether this project/program will serve: ☐ Persons or ☐ Households

**Table 1**

Number of Persons or Households Served, by Income Group				
Fiscal Year July 1 – June 30	<30% of median	31-50% of median	51-80% of median	Total
2020/2021 (actual)				
2021/2022 (projected)				
2022/2023 (target)				

**Table 2**

Number of Special Needs Clients				
Fiscal Year July 1 – June 30	Elderly (over age 62)	Disabled (not elderly)	HIV/AIDS	Homeless
2020/2021 (actual)				
2021/2022 (projected)				
2022/2023(target)				

**Table 3**

HOME Projects - 5 or more Units - At least 20% of the HOME-assisted units must be occupied by low-income families (households earning below 50% of Area Median Income) and meet one of the following rent requirements:		
Fiscal Year July 1 – June 30	Rent does not exceed 30 percent of Annual Income of a family whose income equals 50 percent of the Area Median Income (AMI)	Rent does not exceed 30 percent of the family's Adjusted Income
2020/2021 (actual)		
2021/2022 (projected)		
2022/2023(target)		

## V. PROGRAM/PROJECT RATIONALE

1. How, specifically, will your program address the identified problem? Provide evidence that the proposed program or project will mitigate the identified problem.

2. List all sources pursued to support your project/program. Include the amounts requested from each source.

## VI. ORGANIZATIONAL CAPACITY

1. Provide the name and title of the individual(s) responsible for the oversight and management of this project/program.

2. What is your City department/agency's history/experience in completing similar programs or projects? Please quantify how successful your organization has been in conducting these programs or projects, (i.e. taught 12 homebuyer education courses to 120 individuals in FY 2022. Twenty of the participants became homeowners within 6 months of completion of the course.)

## VII. COMMUNITY INVOLVEMENT

Briefly describe the neighborhood to be served, highlighting such items as: population to be served, housing conditions, median household income, neighborhood strengths/weaknesses and describe the metrics that will be used to measure neighborhood improvement.

Describe how the City department or agency has involved the community/neighborhood in the development of this application. Have you presented the proposed program to the affected neighborhood association and/or Board of Directors of agency for consideration? Have you presented the proposed program to any other organizations? Please provide documentation.

Description of community/neighborhood involvement:

Presented proposed program to affected neighborhood association? ☐ Yes ☐ No

If "yes", please explain (date, name of association, number of persons attending, outcome of meeting, etc.):

Presented proposed program to agency Board of Directors? ☐ Yes ☐ No

If "yes", please explain (date of meeting, outcome of presentation):

Presented proposed program to any other organizations or City Departments? ☐ Yes ☐ No If “yes”, please explain (date, name of association, number of persons attending, outcome of meeting, etc.)

## VIII. PERFORMANCE MEASURES

HUD requires participation in a performance measurement system to better assess the effectiveness and impact of its programs. This system is required for all federal programs and enables HUD and its grantees to capture program accomplishments and track national trends. Each applicant must select one objective and one outcome to produce what HUD describes as an outcome statement, all of which are driven by local intent.

**Please select the most appropriate objective for your project/program. In selecting the objective, consider the “purpose” of the project or program for which you are seeking federal funds.**

☐ **Create suitable living environments** – these activities are designed to benefit communities, families, or individuals by addressing issues in their living environment. This objective relates to activities that are intended to address a wide range of issues faced by low- and moderate-income persons, from physical problems with their environment, such as poor-quality infrastructure, to social issues such as crime prevention, literacy or elderly health services.

☐ **Provide decent housing** – these activities cover a wide range of housing activities generally completed with HOME and CDBG funds. This objective focuses on activities whose purpose is to meet the individual family or community housing needs. It does not include programs where housing is an element of a larger community-wide improvement, since such programs would be more appropriately reported under suitable living environments.

☐ **Create economic opportunities** – applies to activities related to economic development, commercial revitalization, or job creation.

**AND**

**Please select the most appropriate outcome for your project/program. In selecting an outcome, consider “the type of change or result your project/program is seeking.”**

☐ **Availability/Accessibility** – applies to activities that make services, infrastructure, public services, public facilities, housing, or shelter available or accessible to low- and moderate-income people, including persons with disabilities. In this category, accessibility does not refer only to physical barriers, but also to making the basics of daily living available and accessible to low- and moderate-income people where they live.

☐ **Affordability** – applies to activities that provide affordability in a variety of ways to low- and moderate-income people. It can include the creation or maintenance of affordable housing, basic infrastructure hookups, or services such as transportation or day care. Affordability is appropriate whenever an activity is lowering the cost, improving the quality, or increasing the affordability of a product or service to benefit a low-income household.

☐ **Sustainability** – applies to activities that are aimed at improving communities or neighborhoods, helping to make them livable or viable by providing benefit to persons of

low- and moderate-income or by removing or eliminating slums or blighted areas, through multiple activities or services that sustain communities or neighborhoods.

### **Program Outcomes**

These two factors combined, will produce an “outcome statement” (Objective + Outcome = Outcome Statement). **For example, if the Objective selected is “Suitable Living Environment” and the Outcome selected is “Affordability,” then the Outcome Statement should be “Affordability for the purpose of creating suitable living environments”.** An outcome statement for your specific project/program might read, “In FY 2021 Nonprofit ABC assisted 150 households by providing down payment and closing cost assistance for the purpose of making homeownership affordable to 25 families.”

		Outcome 1: Availability/Accessibility	Outcome 2: Affordability	Outcome 3: Sustainability
Objectives	Objective #1: Suitable Living Environment	Accessibility for the purpose of creating Suitable Living Environments	Affordability for the purpose of creating Suitable Living Environments	Sustainability for the purpose of creating Suitable Living Environments
	Objective #2: Decent Housing	Accessibility for the purpose of providing Decent Housing	Affordability for the purpose of providing Decent Housing	Sustainability for the purpose of providing Decent Housing
	Objective #3: Economic Opportunity	Accessibility for the purpose of creating Economic Opportunities	Affordability for the purpose of creating Economic Opportunities	Sustainability for the purpose of creating Economic Opportunities

What will your “outcome statement” be?

Please also provide at least one measure of success for your project or program. For example, 75% of the individuals participating in the homebuyer counseling classes will purchase a home within 6 months of course completion.

<b>IX. PROJECT/PROGRAM COST AND BUDGET</b>
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What is the cost to deliver your project or program? List each project/program element in the table below, including the cost of each element, the quantity and unit of measure, and the subtotal for each element. Where necessary, allocate costs to the use of shared space, vehicles or equipment.

**Example**  
**Program: Credit Counseling Class**

Cost Elements	Cost (\$)	Quantity/Unit of Measure	Subtotal (\$)
Credit Counseling Teacher –in class	\$25	96 hours (8 hrs./month x 12 months)	\$2,400
Credit Counseling Teacher—class prep	\$25	48 hours (4 hrs./month x 12 months)	\$1,200
Credit Counselor—one-on-one	\$20	120 hours (10 hrs./month x12 months)	\$2,400
Materials	\$25	120 course packets/credit reports	\$3,000
		<b>Total</b>	<b>\$9,000</b>

**Complete the table below for the project/program for which you are requesting CDBG or HOME funds.**

**Project or Program Name:** \_\_\_\_\_

Cost Elements	Cost (\$)	Quantity/Unit of Measure	Subtotal (\$)
<b>Total</b>			

## X. PROJECT/PROGRAM SOURCE AND USE BUDGET

Complete the following "Project/Program Source and Use Budget" by listing each cost affiliated with the project/program for which you are requesting CDBG or HOME funds. Do not include funds that have been applied for, but not yet awarded.

<b>A. Use of Funds</b>  List all expenses included in your project / program budget	<b>B. Total Project / Program Cost</b>  List the cost of each Expense	<b>C. Sources</b>  List all sources of funds you will receive for Fiscal Year 2021 for this project	<b>D. FY 2023 Award Amount</b>  List the funding being provided by each source listed in Column C	<b>E. Gap Financing</b>  CDBG or HOME funds being requested for each cost
Example: Postage	\$1,000	United Way	\$500	\$500

**Income Limits**

**DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT  
(HUD) FY 2023 MEDIAN FAMILY INCOME CHART  
FOR THE CITY OF LYNCHBURG, VIRGINIA**

Median Income (MSA)	FY 2021 Income Limit	1 Person	2 Person	3 Person	4 Person	5 Person	6 Person	7 Person	8 Person
\$73,700	Very Low (50%)	\$25,800	\$29,500	\$33,200	\$36,850	\$39,800	\$42,750	\$45,700	\$48,650
	Extremely Low (30%)	\$15,500	\$17,700	\$19,900	\$22,100	\$23,900	\$25,650	\$27,450	\$29,200
	Low (80%)	\$41,300	\$47,200	\$53,100	\$58,950	\$63,700	\$68,400	\$73,100	\$77,850
	(60%)	\$30,960	\$35,400	\$39,840	\$44,220	\$47,760	\$51,300	\$54,840	\$58,380

**DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT  
(HUD) 2021 ADJUSTED HOME INCOME LIMITS  
FOR THE CITY OF LYNCHBURG, VIRGINIA**

Program	1 Person	2 Person	3 Person	4 Person	5 Person	6 Person	7 Person	8 Person
30% Limits	\$15,500	\$17,700	\$19,900	\$22,100	\$23,900	\$25,650	\$27,450	\$29,200
Very Low Income	\$25,800	\$29,500	\$33,200	\$36,850	\$39,800	\$42,750	\$45,700	\$48,650
60% Limits	\$30,960	\$35,400	\$39,840	\$44,220	\$47,760	\$51,300	\$54,840	\$58,380
Low Income	\$41,300	\$47,200	\$53,100	\$58,950	\$63,700	\$68,400	\$73,100	\$77,850

**DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT  
(HUD) 2021 HOME PROGRAM RENTS  
FOR THE CITY OF LYNCHBURG, VIRGINIA**

	Efficiency	1 BR	2 BR	3 BR	4 BR	5 BR	6 BR
Low HOME Rent	633	660	784	958	1068	1179	1289
High HOME Rent	633	660	784	1053	1241	1427	1571
Fair Market Rent	633	660	784	1053	1241	1427	1613
50% Rent Limit	645	691	830	958	1068	1179	1289
65% Rent Limit	819	879	1057	1212	1333	1451	1571

NOTE: Lynchburg City is part of the **Lynchburg, VA MSA**, so all information presented here applies to all of the **Lynchburg, VA MSA**. The **Lynchburg, VA MSA** contains the following areas: Amherst County, VA; Appomattox County, VA; Bedford County, VA; Campbell County, VA; and Lynchburg City, VA.

**Effective 06/01/2021**